Federal Court  Cour fédérale

Date: 20100916

Docket: T-774-09

Citation: 2010 FC 924

Ottawa, Ontario, September 16, 2010

PRESENT: The Honourable Mr. Justice Boivin

BETWEEN:

TIMOTHY HAYES

Appellant

and

SIM & MCBURNEY

Respondent

REASONS FOR JUDGMENT AND JUDGMENT

[1] This is an appeal by Mr. Timothy Hayes, pursuant to section 56 of the *Trade-marks Act*, RSC 1985, c T-13 (the Act). Mr. Hayes requests an order setting aside the decision of the Registrar of Trade-marks (the Registrar) dated March 16, 2009, pursuant to s 45(4) of the Act. The Registrar ordered the expunging of registration number TMA607,778 for the trade-mark "WHERE2GO2" for use in association with services pertaining to travelling and the advertisement of properties.

[2] The appellant, Mr. Hayes, was self-represented at the hearing before the Court.

Factual background

[3] On April 16, 2004, the appellant registered the trade-mark "WHERE2GO2" in association with the following services:

> Providing electronic information concerning travel and travel destinations, educational services pertaining to travel and travel destinations; Providing electronic information concerning the rental and sale of vacation properties; Publication in the fields of travel, travel planning, and topics of interest to business and recreational travellers distributed over computer networks, wireless networks and global communication networks; Publication in the fields of the rental and sale of vacation properties distributed over computer networks, wireless networks and global communication networks.

[4] On September 30, 2008, the respondent sent to the Registrar a written request to initiate a section 45 proceeding.

[5] On October 10, 2008, the Registrar of Trade-marks sent a request to Mr. Hayes pursuant to section 45(1) of the Act asking him to provide evidence to the effect that the trade-mark was in use in Canada at any time during the three year period preceding that date and if not, the date when it was last in use and the reason for the absence of use since that date.

[6] The relevant period is October 10, 2005 to October 10, 2008.

[7] Mr. Hayes did not answer the Registrar's request. The Registrar therefore determined that Mr. Hayes failed to submit any evidence of use of the trade-mark in Canada. On March 16, 2009 a decision was issued to expunge the trade-mark pursuant to section 45(4) of the Act.

[8] Mr. Hayes claims that he did not respond to the Registrar's request for proof of use because he was not aware of the request. He claims the request notice was mailed to his former address, which remained the address on file for the registered owner of the mark.

[9] Mr. Hayes appealed the decision by Notice of Application dated May 13, 2009 and by Amended Notice of Application dated August 18, 2009.

Relevant provisions

[10] The relevant provisions of the *Trade-marks Act* read as follows:

Definitions	Définitions
2. In this Act,	**2.** Les définitions qui suivent s'appliquent à la présente loi.
…	[…]
"use" , in relation to a trade-mark, means any use that by section 4 is deemed to be a use in association with wares or services;	«emploi » ou «usage » À l'égard d'une marque de commerce, tout emploi qui, selon l'article 4, est réputé un emploi en liaison avec des marchandises ou services.
When deemed to be used	Quand une marque de commerce est réputée employée
4. …	**4.** […]
(2) A trade-mark is deemed to be used in association with services if it is used or displayed in the performance or	(2) Une marque de commerce est réputée employée en liaison avec des services si elle est employée ou montrée dans

advertising of those services.

l’exécution ou l’annonce de ces services.

Registrar may request evidence of user

45. (1) The Registrar may at any time and, at the written request made after three years from the date of the registration of a trade-mark by any person who pays the prescribed fee shall, unless the Registrar sees good reason to the contrary, give notice to the registered owner of the trade-mark requiring the registered owner to furnish within three months an affidavit or a statutory declaration showing, with respect to each of the wares or services specified in the registration, whether the trade-mark was in use in Canada at any time during the three year period immediately preceding the date of the notice and, if not, the date when it was last so in use and the reason for the absence of such use since that date.

Le registraire peut exiger une preuve d’emploi

45. (1) Le registraire peut, et doit sur demande écrite présentée après trois années à compter de la date de l’enregistrement d’une marque de commerce, par une personne qui verse les droits prescrits, à moins qu’il ne voie une raison valable à l’effet contraire, donner au propriétaire inscrit un avis lui enjoignant de fournir, dans les trois mois, un affidavit ou une déclaration solennelle indiquant, à l’égard de chacune des marchandises ou de chacun des services que spécifie l’enregistrement, si la marque de commerce a été employée au Canada à un moment quelconque au cours des trois ans précédant la date de l’avis et, dans la négative, la date où elle a été ainsi employée en dernier lieu et la raison de son défaut d’emploi depuis cette date.

Form of evidence

(2) The Registrar shall not receive any evidence other than the affidavit or statutory declaration, but may hear representations made by or on behalf of the registered owner of the trade-mark or by or on behalf of the person at whose request the notice was given.

Forme de la preuve

(2) Le registraire ne peut recevoir aucune preuve autre que cet affidavit ou cette déclaration solennelle, mais il peut entendre des représentations faites par le propriétaire inscrit de la marque de commerce ou pour celui-ci ou par la personne à la demande

de qui l'avis a été donné ou pour celle-ci.

Effect of non-use

(3) Where, by reason of the evidence furnished to the Registrar or the failure to furnish any evidence, it appears to the Registrar that a trade-mark, either with respect to all of the wares or services specified in the registration or with respect to any of those wares or services, was not used in Canada at any time during the three year period immediately preceding the date of the notice and that the absence of use has not been due to special circumstances that excuse the absence of use, the registration of the trade-mark is liable to be expunged or amended accordingly.

Effet du non-usage

(3) Lorsqu'il apparaît au registraire, en raison de la preuve qui lui est fournie ou du défaut de fournir une telle preuve, que la marque de commerce, soit à l'égard de la totalité des marchandises ou services spécifiés dans l'enregistrement, soit à l'égard de l'une de ces marchandises ou de l'un de ces services, n'a été employée au Canada à aucun moment au cours des trois ans précédant la date de l'avis et que le défaut d'emploi n'a pas été attribuable à des circonstances spéciales qui le justifient, l'enregistrement de cette marque de commerce est susceptible de radiation ou de modification en conséquence.

Notice to owner

(4) When the Registrar reaches a decision whether or not the registration of a trade-mark ought to be expunged or amended, he shall give notice of his decision with the reasons therefore to the registered owner of the trade-mark and to the person at whose request the notice referred to in subsection (1) was given.

Avis au propriétaire

(4) Lorsque le registraire décide ou non de radier ou de modifier l'enregistrement de la marque de commerce, il notifie sa décision, avec les motifs pertinents, au propriétaire inscrit de la marque de commerce et à la personne à la demande de qui l'avis visé au paragraphe (1) a été donné.

Action by Registrar

Mesures à prendre par le registraire

(5) The Registrar shall act in accordance with his decision if no appeal therefrom is taken within the time limited by this Act or, if an appeal is taken, shall act in accordance with the final judgment given in the appeal.

(5) Le registraire agit en conformité avec sa décision si aucun appel n'en est interjeté dans le délai prévu par la présente loi ou, si un appel est interjeté, il agit en conformité avec le jugement définitif rendu dans cet appel.

Appeal

56. (1) An appeal lies to the Federal Court from any decision of the Registrar under this Act within two months from the date on which notice of the decision was dispatched by the Registrar or within such further time as the Court may allow, either before or after the expiration of the two months.

Appel

56. (1) Appel de toute décision rendue par le registraire, sous le régime de la présente loi, peut être interjeté à la Cour fédérale dans les deux mois qui suivent la date où le registraire a expédié l'avis de la décision ou dans tel délai supplémentaire accordé par le tribunal, soit avant, soit après l'expiration des deux mois.

Procedure

(2) An appeal under subsection (1) shall be made by way of notice of appeal filed with the Registrar and in the Federal Court.

Procédure

(2) L'appel est interjeté au moyen d'un avis d'appel produit au bureau du registraire et à la Cour fédérale.

…

[…]

Additional evidence

(5) On an appeal under subsection (1), evidence in addition to that adduced before the Registrar may be adduced and the Federal Court may exercise any discretion vested in the Registrar.

Preuve additionnelle

(5) Lors de l'appel, il peut être apporté une preuve en plus de celle qui a été fournie devant le registraire, et le tribunal peut exercer toute discrétion dont le registraire est investi.

Issue

[11] In this appeal the following issues arise:

1- Can the Court consider the appellant's affidavit demonstrating use of the trade-mark during the relevant period as new evidence, notwithstanding that he did not provide such evidence to the Registrar in response to its request under section 45 of the Act?

2- In the affirmative, does the new evidence demonstrate that the trade-mark in issue was used in association with services in Canada during the relevant period as required by sections 2, 4 and 45 of the *Trade-marks Act*?

Standard of review

[12] Subsection 56(1) of the Act provides for an appeal "from any decision of the Registrar under this Act" and subsection 56(5) provides that the Federal Court may consider additional evidence that was not before the Registrar and may exercise any discretion vested in the Registrar.

[13] In order to determine the standard of review in the present case, the Court is mindful that the Supreme Court of Canada found in *Dunsmuir v New Brunswick*, 2008 SCC 9, [2008] 1 SCR 190, at para 57, that "an exhaustive review is not required in every case to determine the proper standard of review. Here again, existing jurisprudence may be helpful in identifying some of the questions that generally fall to be determined according to the correctness standard".

[14] Hence, in *Vêtement Multi-Wear Inc. v Riches, Mckenzie & Herbert LLP*, 2008 FC 1237, [2008] FCJ No 1602, at paras 13-16, a case similar to the case at bar, Justice Shore observed that the Federal Court has a broad reviewing power when it comes to appeals from the Registrar of Trade-marks and added that the applicable standard is correctness when new evidence is filed:

> [13] If new evidence is filed, however, the standard of review is different. As Justice Marshall Rothstein, noted:
>
> > [51] ...where additional evidence is adduced in the Trial Division that would have materially affected the Registrar's findings of fact or the exercise of his discretion, the Trial Division must come to his or her own conclusion as to the correctness of the Registrar's decision.
>
> (*Molson Breweries*, above; reference is also made to *Accessoires d'Autos Nordiques Inc. v. Canadian Tire Corp.*, 2007 FCA 367, 62 C.P.R. (4th) 436 at para. 29.)
>
> [14] In coming to his or her own conclusion as to the correctness of the Registrar's decision, the Court will substitute its own opinion for that of the Registrar without any need to find an error in the Registrar's reasoning (*Guido Berlucchi & C. S.r.l. v. Brouilette Kosie Prince*, 2007 FC 245, 310 F.T.R. 70 at para. 24). That is, the Court must decide the issue on the merits based on the evidence before it (*Maison Cousin (1980) Inc. v. Cousins Submarines Inc.*, 2006 FCA 409, 60 C.P.R. (4th) 369 at para. 4).
>
> [15] To determine whether the new evidence is sufficient to warrant a *de novo* determination, one should look at the extent to which the additional evidence has a probative significance that extends beyond the material that was before the Registrar (*Guido Berlucchi*, above at para. 25). Indeed, Justice John Evans held that "[t]he more substantial the additional evidence, the closer the appellate Court may come to making the finding of fact for itself." (*Garbo Group Inc. v. Harriet Brown & Co.*, [1999] 176 F.T.R. 80, 3 C.P.R. (4th) 224 at para. 38 (F.C.T.D.).)
>
> [16] Since the Registrar's decision was based on a failure to provide evidence of use as required by the Section 45 Notice provision, the new evidence of use presented in this appeal has probative significance; therefore, the standard of review in this case is correctness. That is, the Registrar's decision warrants a *de novo* determination whereby this Court may decide the issue on the merits based on the evidence before it.

[15] Consequently, the appropriate standard of review is correctness.

Analysis

1. *Can the Court consider the appellant's affidavit demonstrating use of the trade-mark during the relevant period as new evidence, notwithstanding that he did not provide such evidence to the Registrar in response to its request under section 45 of the Act?*

[16] The appellant's affidavit was filed on August 28, 2009. This Court notes that the respondent did not cross-examine the appellant on his affidavit.

[17] In support of his claim, Mr. Hayes submits that this Court has the authority to consider the new evidence and to rule without regard to the Registrar's decision. He rightfully refers to *Austin Nichols & Co., Inc., v Cinnabon Inc., (C.A.)* [1998] 4 FC 569, [1998] FCJ No 1352, at paras 11 and 13. In this case, the Federal Court of Appeal ruled that the fact that a registered owner does not submit evidence to the Registrar after receiving a notice of proceedings instituted under s. 45 does not preclude that registered owner from introducing evidence in its appeal under s. 56:

> [11] The terms of section 56 do not permit an interpretation whose practical effect would be to deprive anyone in any given case of a meaningful right of appeal. As the failure to file evidence is in itself a ground for expungement by the Registrar in a section 45 proceeding, to deny a registered owner the right to file evidence in appeal is to deny him for all practical purposes any chance to succeed in his appeal. […]
>
> [13] The role of the Court sitting in appeal of a decision of the Registrar is made abundantly clear by the last words of subsection 56(5). In giving the Court the same discretion as that "vested in the Registrar", Parliament has recognized that the Court sitting in appeal is expected to be able to decide the issues as if they were tried for the first time before the Court. This, in my view, suggests that a registered owner has in appeal the same opportunity to file evidence as he had before the Registrar.

[18] Moreover, in *Baxter International Inc. v P.T. Kalbe Farma TBK*., 2007 FC 439, 157 ACWS (3d) 632 at para 13, Justice Pinard held that even though a s. 45 Notice is sent to the correct address of the applicant, the Court could nonetheless accept new evidence.

[19] In *Vêtement Multi-Wear Inc.*, the Registrar's decision was based on a failure to provide evidence of use as required by section 45 of the Act. Following this reasoning and given the fact that Mr. Hayes' request notice was mailed to his former address - the evidence regarding this matter was not challenged by the respondent - this Court concludes that Mr. Hayes' affidavit has probative significance and will be considered as evidence in order to decide the issue as if it were tried for the first time before the Court.

[20] Having found at this stage that the affidavit can indeed be considered as new evidence, this Court will address the next issue.

2- In the affirmative, does the new evidence demonstrate that the trade-mark in issue was used in association with services in Canada during the relevant period as required by sections 2, 4 and 45 of the Trade-marks Act?

[21] In *Austin Nichols & Co., Inc.*, Justice Décary of the Federal Court of Appeal held at para 29 "that the test that has to be met by the registered owner under that section [s. 45] is not a heavy one […]. However, merely stating that the trade-mark is in use is insufficient to show use. According to the "Notice: Practice Notice - Section 45*"* (2005) 52, Trade-marks Journal, 2669, use must be shown to have occurred at anytime within the three-year period – in this case from October 10, 2005 to October 10 2008 - preceding the date of the Notice and must be shown with respect to

each of the services mentioned in the registration. Use must also be in compliance with s. 4(2) of the Act which require that the trade-mark was "[…] used or displayed in the performance or advertising of those services".

[22] The respondent submits that the appellant has not demonstrated meaningful evidence of use because there is no explanation as to the relationship between the owner of the website WHERE2GO2.COM, TNE Productions, and the Registrant; there is no evidence of sales to any Canadian customers in the relevant period; and there is no evidence from customers in Canada as to the use of the Registrant's services in association with the mark in issue.

[23] The Court disagrees with the respondent.

[24] In the context of an expungement request under section 45 of the Act, the appellant is not obliged to provided an over-abundance of evidence of use or utilization of the mark (*Eclipse International Fashions Canada Inc. v Shapiro Cohen*, 2005 FCA 64, 48 CPR (4th) 223, at para 6).

[25] Moreover, in *Uvex Toko Canada Ltd. v Performance Apparel Corp.*, 2004 FC 448 , [2004] FCJ No 581, at paras 52-54, Justice Russell explained what a relatively low threshold of use implied:

> [52] It has also been often said that a corollary to these basic principles is that the registrar (and in this case, the Court) should be satisfied by a relatively low threshold of use. See, for example, *Baume & Mercier S.A. v. Brown carrying on business as Circle Import* (1985), 4 C.P.R. (3d) 96 (F.C.T.D.); *Barrigar & Oyen v.*

> *Canada (Registrar of Trade Marks)* (1994), 54 C.P.R. (3d) 509 (F.C.T.D.).
>
> [53] But what does "a relatively low threshold of use" mean? And therein lies the rub, at least as far as this case is concerned.
>
> [54] In *Union Electric Supply Co. Ltd. v. Registrar of Trade-Marks* (1982), 63 C.P.R. (2d) 56, Mahoney J., at page 57, felt that there "is absolutely no justification in putting a trade mark owner to the expense and trouble of showing his use of the trade mark by evidentiary overkill when it can be readily proved in a simple, straightforward, fashion." This means that, to quote Mahoney J. again in Union Electric, supra, "[u]se must be shown, not examples of all uses":
>
> > The type of evidence necessary to "show" use of a trade mark in Canada will doubtless vary from case to case depending, to some extent, on the nature of its owner's business, e.g. manufacturer, retailer or importer, and merchandising practices. Perhaps the sort of evidence the respondent would have accepted here is needed in some cases, however, he erred in rejecting the evidence he had here as insufficient and unreliable [page 60].

[26] In the case at bar, the nature of the appellant's business is to provide electronic information concerning travel and travel destinations, the rental and sale of vacation properties and publication in those fields distributed over computer networks, wireless networks and global communication networks. The exhibits attached to Mr. Hayes' affidavit clearly demonstrate that he is the administrator of the website WHERE2GO2.COM [see Exhibit 1] and that this website has been used continuously since September 18, 1999 up until today, therefore including the relevant period. Mr. Hayes provided screen shots of the website at various time periods over the period in question through an internet site, archive.org, which holds records of how the website looked at the date

indicated [see Exhibit 2]. It is also clear from the evidence that a number of the property listings and vacation deals are from the relevant time period.

[27] The appellant also provided evidence as to the registration of his business, WHERE2GO2.COM. a licence obtained under the laws of the Province of Ontario which expired August 27, 2007 but was renewed by the appellant on August 23 of that year [see Exhibit 4].

[28] In Exhibit 6, the appellant demonstrates through copies of invoices that transactions to advertise property on the website WHERE2GO2.COM via PayPal were made by Canadian customers during the relevant period. The transactions listed within the amounts in Exhibit 9 show payments from clients which reflect the subscription terms in Exhibit 6.

[29] Finally, the appellant provided evidence as to the advertisement of his business with the trade-mark WHERE2GO2 which appeared in the May 12, 2006 edition of the Glebe Report, a local newspaper in Ottawa [see Exhibit 10].

[30] Based on the evidence, this Court is satisfied that the threshold has been met and that use of the trade-mark WHERE2GO2 has been demonstrated sufficiently during the relevant period to satisfy section 45 of the Act. The appellant's trade-mark should therefore be maintained on the register. For the reasons mentioned above, the Court grants the appeal.

JUDGMENT

THIS COURT ORDERS AND ADJUDGES that

1- the appeal by way of application be granted;

2- the Registrar's decision indicating that registration TMA607,778: for the trade-mark "WHERE2GO2" has been expunged be set aside;

3- and that registration TMA607,778: for the trade-mark "WHERE2GO2" be maintained on the register;

4- The whole without costs.

"Richard Boivin"

Judge

FEDERAL COURT

SOLICITORS OF RECORD

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APPEARANCES:

Timothy Hayes	ON HIS OWN BEHALF
Kenneth D. McKay	FOR THE RESPONDENT

SOLICITORS OF RECORD:

Sim Lowman Ashton & McKay LLP Toronto, Ontario	FOR THE RESPONDENT